

Amendment No. 1 to SB1843

Gresham
Signature of Sponsor

AMEND Senate Bill No. 1843

House Bill No. 1884*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 3, Chapter 15, is amended by adding
SECTIONS 2 through 8 as a new part.

SECTION 2. The general assembly finds that concerns have arisen that the present
higher education business model may not be able to sustain reasonable costs of high education
for students and families.

SECTION 3.

(a) As used in this part, "efficiency audit" means an audit to determine whether a
public higher education system or public institution of higher education:

(1) Is managing or utilizing its resources, including state funding,
personnel, property, equipment, and space, in an economical and efficient
manner;

(2) Has inefficiencies or uneconomical practices, including inadequacies
in management information systems, internal and administrative procedures,
organizational structure, use of resources, allocation of personnel, purchasing,
policies, and equipment. An efficiency audit also determines the causes of the
inefficiencies and uneconomical practices; and

(3) Can modify its operations to operate more efficiently and conserve
state resources.

(b) An "efficiency audit" is not a financial audit. An efficiency audit shall include
recommendations on implementing the modifications to improve efficiency.

Amendment No. 1 to SB1843

Gresham
Signature of Sponsor

AMEND Senate Bill No. 1843

House Bill No. 1884*

SECTION 4.

(a) There is created the joint higher education efficiency audit committee.

(b) The joint committee shall be composed of nine (9) members as follows:

(1) The chair of the finance, ways and means committee of the senate;

(2) The chair of the finance, ways and means committee of the house of representatives;

(3) The chair of the education committee of the senate;

(4) The chair of the education administration and planning committee of the house of representatives;

(5) The chair of the education instruction and programs committee of the house of representatives;

(6) The chair of the government operations committee of the senate;

(7) The chair of the government operations committee of the house of representatives;

(8) One (1) at-large member of the senate to be appointed by the speaker of the senate; and

(9) One (1) at-large member of the house of representatives to be appointed by the speaker of the house of representatives.

(c) The first meeting of the joint committee shall be convened by the speaker of the house of representatives, or the speaker's designee.

(d) At its first meeting, the joint committee shall elect from its membership a chair, a vice chair, and other officers as it considers necessary.

(e) The joint committee shall meet at least four (4) times prior to December 31, 2016, and as necessary in calendar year 2017.

(f) Members of the joint committee are entitled to be reimbursed for their expenses in attending meetings of the joint committee or any subcommittee of the joint committee at the same rates and in the same manner as when attending the general assembly.

SECTION 5. The joint committee shall request the assistance of the Tennessee commission of higher education (THEC) as it facilitator in performing its duties. THEC shall assist in setting the meetings and agendas of the joint committee. THEC shall perform such duties for the joint committee as are required to achieve the objectives of making public higher education systems and institutions operate more efficiently and to make use of state resources in the most efficient manner.

SECTION 6.

(a) In performing its duties, the joint committee shall, with the assistance of THEC:

(1) Define the scope of each audit. The joint committee may, at its discretion, issue a request for proposal (RFP) for consulting services in defining and setting the scope of an audit prior to issuing a request for proposal for the audit. The joint committee may issue requests for information and requests for qualifications in determining the scope of an audit;

(2) Issue one (1) or more RFPs with respect to an audit of each institution or system;

(3) Review the proposals submitted in response to an RFP;

(4) Select an entity to perform the audit based on the joint committee's review of the proposals;

(5) Request authorization and funding to implement the efficiency audit;

(6) Review the audit's findings and recommendations to determine:

(A) The economic feasibility and cost savings anticipated from any proposed changes;

(B) The extent that the changes will contribute to student access to academic programs and services that will be beneficial to them and to the state; and

(C) The extent to which proposed changes contribute to the goals, priorities, and higher education strategies of the state and the institution; and

(7) Recommend actions to be taken as the result of the findings and conclusions of the audit and the manner in which these acts shall be implemented.

(b) THEC shall, after authorization by the general assembly, contract for the performance of efficiency audits of the public higher education systems and public institutions of higher education with the objective of making systems and institutions operate more efficiently and to make use of state resources in the most efficient manner.

(c) The joint committee shall use the efficiency audits to determine whether inefficiencies exist in the higher education systems and at the institutions, including, but not limited to, resource allocation, staffing and human resources, duplication of services, excessive layers of administration, inefficient purchasing practices, and expensive, unnecessary course offerings of little benefit to students or the public.

(d) The joint committee shall issue written recommendations to the general assembly for legislation that leads to more efficient use of the taxpayers' dollars by the

higher education systems and institutions and that results in more beneficial outcomes for the students and public.

(e) The joint committee shall make recommendations as to the person or entity that shall implement its efficiency recommendations and THEC shall oversee that person or entity.

(f) Notwithstanding any provision of this section, in lieu of following the above procedures, THEC, acting on behalf of the joint committee, may request that the comptroller of the treasury perform efficiency audits of the higher education systems and institutions.

SECTION 7. Notwithstanding § 12-3-102, THEC, acting on behalf of the joint committee, may request the assistance of the central procurement office in performing its duties.

SECTION 8.

THEC shall report to the one hundred tenth general assembly on the efforts of the joint committee in achieving the objectives of making public higher education systems and institutions operate more efficiently and to make use of state resources in the most efficient manner. THEC shall specifically address how proposed changes at the systems or institutions to achieve cost efficiencies shall affect tuition and fees.

SECTION 9. The joint committee shall first examine the efficiency of the University of Tennessee system and its institutions and the University of Memphis, including the University of Memphis Lambuth.

SECTION 10. This act shall take effect upon becoming a law, the public welfare requiring it.